

California State

Accounting and

Reporting System

July 2001



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Executive Summary

Executive Summary

he California State Accounting and Reporting System (CALSTARS) was originally developed to provide agencies of the State with an automated organization and program cost accounting system to accurately account for all revenue, expenditures, receipts, disbursements, and property of the State. It was also specifically intended and designed to improve the accuracy and timeliness of financial information, standardize the accounting and reporting within and across the state agencies, and expand each agency's accounting and reporting capabilities.

CALSTARS must continue its basic mission ("modern and complete accounting system," Government Code Section 13300) as a statewide accounting system consistent with statewide accounting policy and procedure.

However, as agencies moved through the 1990s, they were faced with increasing demands for program performance within limited resources, and there was an increased importance on fiscal information as a strategic resource for the effective execution, monitoring, and evaluation of program operations. During the next century, those challenges will remain. This Annual Planning Document must transcend the original goals and objectives and recognize the strategic position of CALSTARS within each client agency. It must provide the direction to keep pace with the administrative and technological advances to assure the placement of CALSTARS within the business strategies and information infrastructure of the client agencies to serve as an information system useful to the business decision makers of those agencies.

The purpose of this continuing planning process is to present and describe the needed direction of CALSTARS over the next three years. In support of the basic Mission of CALSTARS, the following major goals are outlined for the immediate future. Specifically, CALSTARS must:

★ Sustain the original goals and objectives established for CALSTARS.



Exhibits

- ★ Operate and maintain a value-added, cost effective accounting system for its client agencies.
- ★ Maintain an efficient and cost effective technology base and infrastructure of CALSTARS.
- ★ Respond to the business needs and demands for timely and accurate fiscal information and financial reporting.
- ★ Exploit the uses of existing and emerging technologies to re-engineer the state accounting process.

Several significant projects were completed during this past year, per previous plans.

- ★ Additional Selection Options for Standard Reports Based upon numerous agency requests and to meet one of our objectives in the CALSTARS Annual Plan, the standard report process was modified substantially to allow agencies to select a specific Index, Program Cost Account (PCA), Object Detail, Funding Fiscal Year, Project and/or Work Phase for selected reports. In addition, ranges for Index, PCA and Object Detail can also be selected. This modification allows agencies to further customize standard reports, decrease paper usage, reduce report processing costs, and ease report sorting, routing and distribution.
- ★ Electronic Claim Schedules System changes were installed this year in preparation for a pilot of the Electronic Claim Schedules project. The Fund Detail Descriptor Table was modified to cross-reference the CALSTARS fund detail code to the State Controller's Office (SCO) subfund code. This will enable claim schedules to be produced from CALSTARS with the appropriate SCO sub-fund code. Also, the Claim Schedules Maintenance Transaction screen was redesigned to include new processing indicators for electronic claim schedules, and a new report was created to assist agencies in their review and approval of claim schedules.

Testing of these new capabilities and the production and processing of claim schedules without attachments was successfully completed. However, implementation of these changes has been deferred until legal considerations have been addressed by the SCO.



Exhibits

- ★ History File Search A new on-line History File and selection screen were developed to create an on-line History File Search/Inquiry capability. The new History File is updated nightly and available for transaction search based on a wide selection of search criteria. Once the transactions have been retrieved, they are available for viewing online, in hardcopy, or report file form. This capability provides workload savings during accounting reconciliation activities.
- ★ Monarch ES Software Evaluation We completed the software evaluation of Monarch ES (Enterprise Solution) concluding that it can cost effectively meet the objectives of long term electronic storage and archival of reports and provide cost savings through elimination of long term storage of reports in hardcopy or microfiche format. In addition, the software provides agencies with immediate access to archived reports through the Internet. Use of this software is now in the Pilot Test Stage. (See Project C.1.)
- ★ Electronic Transfer of DGS Vendor Invoices The Notices of Electronic Fund Transfer (NEFT) and invoices of the Department of General Services (DGS) are electronically received by CALSTARS for electronic transfer to and print on the agencies' local printers.
- ★ Independent Contractor Reporting Changes have been completed to accumulate CALSTARS agencies' payments to Independent Contractors and report those payments to the Employment Development Department within 20 days as required by recent legislation (Chapter 480, Statutes of 1999). CALSTARS agencies are relieved of the workload to complete this payments reporting.
- ★ Report Training Module A new training module has been developed to discuss CALSTARS reports and reporting options, access to CALSTARS data files, capabilities for downloading reports and/or data files, and distribution of non-CALSTARS reports through the CALSTARS network.
- ★ Confidentiality of Data Several reports were modified to suppress the display of employees' Social Security numbers to assist agencies in safeguarding confidential information.
- **★** Procedures Manual/Documentation on CD-ROM Following major reorganization and update, the CALSTARS Procedures Manual was



Executive Summary

- made available to agencies in CD-ROM format, in addition to its availability through the Internet/CALSTARS web pages.
- Reportable Payment Processing As scheduled, the 1099 Reportable Payment processes and reports have been completed for the 2000 tax year. We have electronically transmitted the necessary information to the IRS and the Franchise Tax Board to produce and mail the 1099 documents to taxpayers. CALSTARS agencies are relieved of the workload to individually complete these processes.

Several other planned projects and their purpose are identified below. A complete description and identification of all proposed projects is included in the Implementation Plan, pages 19-31. The timelines for all projects are shown on page 32.

- ★ Information Access and Reporting This continuing project is intended to identify a suite of PC based products that agency accounting staff can use for report archival, ad hoc reporting, file download, report file extract, and import to PC spreadsheet, word processing, and data base software.
- ★ Automated Bank Reconciliation Process CALSTARS will receive the electronic Bank Statement data from the SCO, perform an automated matching of checks and deposits, produce the Bank Reconciliation Statement, and compare the cash balances per the bank statement with the cash general ledger balances in CALSTARS. This process will save agencies valuable human resource time and improve the accuracy of the agencies' records.
- ★ On-line Screens Redesign (Phase II) This will include a redesign of the report request screens, including the capability to order reports by grouping.
- ★ Internet Access to Data Test the feasibility of agencies' Internet access to CALSTARS and their reports and/or report files.

This Annual Planning Document represents our continuing commitment to all client agencies to provide and operate a system that:

★ Ensures compliance with statewide fiscal policies and procedures;



Executive Summary

- ★ Minimizes workload associated with daily, month-end, and year-end accounting processes;
- ★ Complements the technological infrastructure of its client agencies; and.
- ★ Serves as an integral part of the management information infrastructure of each agency.

Background

Background

nder the provisions of Government Code Section 13300, CALSTARS was developed to provide all agencies of the State with an automated organization and program cost accounting system to accurately and systematically account for all revenue, expenditures, receipts, disbursements, and property of the State. CALSTARS was specifically designed to improve the timeliness and accuracy of financial information, standardize the accounting and reporting functions within and across the state agencies, and expand each agency's accounting and reporting capabilities.

CALSTARS was also part of larger statewide goals of providing program cost information and achieving uniformity between the State's budgeting and accounting processes. CALSTARS was designed to conform to Generally Accepted Accounting Principles (GAAP) and to satisfy Government Code, State Administrative Manual (SAM), and other State accounting requirements. The system design also incorporated the State's Uniform Codes Manual (UCM) to provide for consistency and uniformity between the budgeting and accounting processes of the State and between the State agencies.

The system was originally developed in 1980-1981 and implemented on July 1, 1981 in 27 State agencies. Today, approximately 101 accounting offices throughout the State are using CALSTARS to perform the accounting function for approximately 200 agencies, departments, institutions, boards, and commissions. Approximately 15 agencies remain to be implemented on CALSTARS.

CALSTARS currently operates on the computer systems at the Health and Human Services Agency Data Center (HHSDC). Agencies and institutions utilize CALSTARS primarily through personal computers, terminals and printers located on site at those agencies. Department of Finance (Finance) data processing staff execute the daily computer processing, maintain the



Background

automated system, and assist agencies with installation and operation of their terminals and printers (Exhibit 1).

Finance provides extensive support, guidance, and training to agencies during implementation of the system. After implementation, Finance provides ongoing, on-site support and consultation as needed. Finance also provides routine support to all users through a telephone HOTLINE, daily on-line news facility, regularly scheduled classroom training sessions, and maintenance of the CALSTARS Procedures Manual and other documentation (Exhibit 2).

CALSTARS has achieved its original goals by standardizing the accounting and reporting functions within State agencies and by improving the timeliness and accuracy of financial information.



Mission Statement

Mission Statement

he Department of Finance's mission is:

- ★ to serve as the Governor's chief fiscal policy advisor,
- ★ to promote responsible resource allocation through the State's annual financial plan, and,
- ★ to ensure the financial integrity of the State.

The DOF impacts on the fiscal activities of other State departments through the general authority and power of supervision granted in Government Code Section 13070. This section provides Finance with authority over all financial and business policies of the State. There are also many other code sections which direct the operations of Finance.

Consistent with the mission of Finance, CALSTARS was originally developed under the provisions of Government Code Section 13300. The provisions of that Section remain today as the basic mission of the CALSTARS program, as follows:

"The department shall devise, install, supervise, and, at its discretion, revise and modify, a modern and complete accounting system for each agency of the state...to the end that all revenue, expenditures, receipts, disbursements, resources, obligations, and property of the state be properly, accurately, and systematically accounted for and that there shall be obtained accurate and comparable records, reports, and statements of all the financial affairs of the state.

"This system shall...permit a comparison of budgeted expenditures, actual expenditures and encumbrances and payables... and estimated revenue to actual revenue, which is compatible with a budget coding system....

"This system shall include a cost accounting system which accounts for expenditures by line item, government unit and fund source. The system shall also be capable of performing program cost accounting as required. The



Mission Statement

system and the accounts maintained by the several agencies of the state shall be coordinated with the central accounts maintained by the Controller...."

The Mission

The specific continuing mission of CALSTARS, and the emphasis of the Annual Plan, is to insure that the system is a "...modern and complete accounting system for each agency of the state..." and that the system remain a cost effective and value-added service to fully support the business functions of each client agency.

While the current system design and operation of CALSTARS satisfies the basic provisions outlined in the Government Code, CALSTARS must continue to grow and adapt to the changing business and fiscal information needs of State government. In order for CALSTARS to be "modern and complete" and continue as a viable accounting and information system into the future, it must go further....

CALSTARS must recognize its strategic position within the State's fiscal processes and its critical placement within the financial management structure of client agencies. Although CALSTARS has been developed as the State's accounting system, we envision that:

The Vision

CALSTARS is the financial management system of choice of its client agencies.

Internal/External Assessment

Internal/ External Assessment

ach year, a number of CALSTARS staff planning sessions are held to initially focus on the Mission Statement for CALSTARS and then to concentrate on Problems, Challenges, and Opportunities to further its Mission.

In addition to the specific input of CALSTARS staff, the planning discussions consider and include input and comments from client agencies through a variety of sources: The CALSTARS Advisory Council, Monarch/CALSTARS Users Group, suggestions formally submitted through the CALSTARS Suggestion Form (CALSTARS 106); Comments received through a formal CALSTARS project or survey (e.g., Client Satisfaction Survey); and, formal/informal system change requests from agencies implementing or currently operating CALSTARS.

In summary, the following represents an internal/external assessment of the current functionality, performance, problems, and potential of CALSTARS:

- A. CALSTARS currently processes under multiple technologies. Data is stored in an ADABAS database and in VSAM/QSAM (sequential) files and supported by several operating systems and technologies. For maximum benefit from these technologies, we must continue to examine all parts of the system to insure that the overall effectiveness and efficiency of the system continues to improve.
- B. New lower cost technologies continue to emerge to improve system processing, provide appropriate and sufficient data storage, reduce operational costs, provide improved access to data, and deliver data and reports of the system. These various technologies must be explored and implemented whenever possible to ensure that CALSTARS remains a cost effective solution to the client agencies.
- C. Agencies should be able to access the CALSTARS system and files in a manner which best fits their individual needs. New alternatives for

- end-user query tools must be investigated and made available to agencies.
- D. CALSTARS security functions must be enhanced in preparation for providing web access to CALSTARS. Additionally, Internet/Intranet security components (e.g., firewalls and encryption software) must be further analyzed to determine how they should be implemented.
- E. The mainframe 'Look and Feel' image and 'Legacy System' label on CALSTARS creates the impression of an antiquated and outdated system. This perception underrates the overall cost effectiveness and efficiency of its total functionality. Graphical User Interface (GUI) and/or web enabling technologies must be evaluated and implemented to make mainframe applications more user friendly and compatible with current desktop applications.
- F. Electronic Commerce/Electronic Data Interchange (EC/EDI) has become a widely accepted method of transacting business electronically. Enhancements are needed to incorporate these capabilities into CALSTARS. These capabilities would significantly reduce the paperwork and manual workload for agencies by automating the manual transmission and processing of large volume transactions such as billing/invoice data from common sources such as utility companies.
- G. Agency data needs to be more accessible to clients for on-line search and inquiry, development of special reports, analyses, etc. We need to continue our efforts to provide more functionality for data search and retrieval.
- H. Many current management standard reports are complex and difficult to read and understand by agency executive and program management staff.
- I. Client agencies want ownership of their data and the tools for working with information within their local environment. We must empower the client agencies with their information assets while maintaining control and security over that data.
- J. Several statewide accounting processes should be further automated to eliminate existing manual workload, e.g., On-line appropriation reconciliation (DB2) process, automated year-end financial statements, automated cash remittance, etc.

- K. CALSTARS must continue to expand its range of functionality. Opportunities exist to further integrate CALSTARS with the State's budget development processes and procurement processes.
- L. The claim schedule subsystem must be re-engineered and reprogrammed to more fully perform its function. The subsystem needs to more fully support some accounting capabilities elsewhere in the system.
- M. The labor subsystem needs to be enhanced to improve current functionality and provide more flexibility in meeting detail labor information needs.
- N. The CALSTARS system does not fully support a decentralized accounting operation. This limits the ability of some client agencies to decentralize their accounting operation when decentralization would otherwise meet desired organizational or informational needs.
- O. Agencies encounter problems due to vacancies, turnover, lack of experience and/or training, changes and complexities in the State's fiscal processes, etc. Client agencies continue to need assistance and support to avoid or resolve those problems that usually result in late, incomplete, or incorrect financial data and/or financial reporting.
- P. Not all accounting professionals are experienced in the use of available tools, techniques, and processes for electronic transfer/download of data/information to their local processing environment. The use of these needed tools and techniques require additional training and support that is generally not available from within the client agencies.
- Q. Most client agencies require support to connect their personal computers into their CALSTARS network or their CALSTARS equipment into their local communications network. With continued changes in technology, we must continue to expand our training and expertise to provide this needed support to our client agencies.
- R. Many executive and program management staff of client agencies are not fully aware of the difficulties, complexities, and requirements of the State's fiscal accounting processes.
- S. Many program management and accounting staff are not fully aware of the range of CALSTARS capabilities.

- T. CALSTARS provides information to and/or communicates with client agencies through a variety of means: CALSTARS Advisory Council, CALSTARS Annual Plan and Annual Report, CALSTARS/Monarch Users Group, CALSTARS Procedures Manual (hardcopy and Internet), CALSTARS Operations Memos (COMs), Internet, interdepartmental memos, daily system News Screen messages, training sessions, HOTLINE, Operations Help Desk, and individual contacts with agencies. Exploring and implementing new techniques and processes to sufficiently communicate with client agency staff at all levels remains an ongoing challenge.
- U. The existing processes for maintaining, reproducing, and distributing the hardcopy CALSTARS Procedures Manual are cumbersome and costly.
- V. CALSTARS must provide agencies with the system processes and/or reporting options to safeguard the confidentiality of certain data within the system.
- W. CALSTARS must maintain an awareness of automation initiatives and efforts of other control agencies to promote/insure statewide coordination and cooperation.
- X. CALSTARS client agency management staff need and deserve more detailed information on the cost components of their CALSTARS operation.
- Y. The CALSTARS Billing System needs further enhancement and refinement to segregate the cost components of certain capabilities so they are more appropriately direct billed only to the agencies using those capabilities.
- Z. CALSTARS performs table edits to ensure the validity of individual codes such as Index, PCA, Object Detail, etc. However, CALSTARS does not provide edits of an incorrect combination of valid codes entered in transactions. For example, agencies can enter incorrect combinations of valid Indexes and PCAs, or PCAs and Object Codes, or PCAs and General Ledger codes, etc. These undetected errors are later discovered through reports review at which time the transaction entries must be reversed and re-entered. Many client agencies are requesting front-end relational edits performed at the time of data entry to reduce incompatible data errors and manual correction efforts.



- AA. Currently, microfiche of reports is stored in the fiscal office of the CALSTARS agencies or at the State Records Center. Newer long-term storage technologies must be evaluated and implemented to reduce storage costs, provide report availability through electronic access, provide search capabilities for data within larger reports, eliminate the physical storage space requirements, and increase usability of reports by integrating report retrieval capabilities with existing desktop applications.
- AB. The cost allocation capabilities of CALSTARS need to be expanded to provide greater flexibility, improve functionality, and to accommodate the wider variety of allocation needs throughout the State. Possible enhancements include expanding the Index, PCA, and Object Detail ranges, increasing the number of fixed percentage splits, including Project Work Phase in the credit segment of the allocation, moving the PCA method to the individual cost allocation tables, and providing additional PCA methods.

Goals

Goals

hroughout the 1990s, departments have increasingly relied on automated systems and telecommunication networks for their day-to-day program operations and management decision-making. CALSTARS must continue its basic mission as a statewide accounting system consistent with statewide accounting policy and procedure, but it must also assure its place within the business strategies and information infrastructure of the client agencies by ensuring that it also serves as an information system useful to the business decision makers of those agencies.

Goals

- A. Sustain the original goals and objectives established for CALSTARS. It must continue its goals of uniformity and consistency of the State's fiscal processes. Maintain a close liaison with the State Controller's Office, State Treasurer's Office, and Department of General Services to further integrate with other systems and processes of those offices. Shared cost of continued enhancement and expansion of the common system functionality will provide every client agency with a more complete system solution at the lowest cost possible.
- B. Operate and maintain a value-added, cost effective accounting system (Exhibit 3) that satisfies the business needs of its client agencies and the accounting and reporting requirements of the state and federal government. The system must be reliable, auditable, secure and have long-term durability. Continue to provide a small cadre of superior, experienced staff to support the system and its operation.
- C. Maintain a cost effective technology base and infrastructure of CALSTARS that complements and supports the internal information technology infrastructures and future needs of CALSTARS client agencies. This will avoid duplicative costs of hardware, software, and communication devices within that infrastructure.

Goals

- D. Respond to the business needs and demands for timely and accurate fiscal information and financial reporting. Fiscal information is an important ingredient to the decision making process of client agencies. CALSTARS must provide the reporting tools, techniques, and processes as needed by the agencies in a timely fashion to assist that decision making process. It must empower its client agency users while maintaining control and security over that agency's information assets.
- E. Exploit the uses of existing and emerging technologies to re-engineer the state accounting process and minimize or eliminate labor-intensive workloads of departmental accounting operations. Workload savings will allow client agencies to better utilize their limited resources for analyses of data and information produced by the system.

This Annual Planning Document must and will be shared widely with all CALSTARS agencies so that development of their own Strategic Plans can be completed in full consideration and concert with the long-term direction for the overall CALSTARS system and its operation.

Stakeholders

The Stakeholders in our Mission Statement are those individuals and/or agencies that are directly or indirectly affected by the level of success in accomplishing our mission. The following identifies those stakeholders, to whom we are accountable, and the area(s) in which they may be mostly concerned:

Stakeholder	Standard Functionality	Fiscal Reporting	Information	Support	Cost
Agency Fiscal Mgt./Staff	Х	Х	Х	X	Х
Agency Exec/Prog. Mgt.		X	X		Χ
State Audit Groups	X	X	X		
Control Agencies		X	X	Χ	Χ
Legislature	X	X			
Other Govt. Agencies		X	X	Χ	Χ
HHSDC	X				Χ
CALSTARS Staff	X	X	X		Χ
Public	X	Χ	X		

Implementation Plan

he CALSTARS planning process is a dynamic and evolutionary process. No longer are our strategies and projects based on a singular periodic review of client requirements. Instead, we identify and revise our needed strategies and projects on an as-needed basis to respond to the client agencies' needs and requirements as they evolve and to adapt to the rapidly changing technological and business environments of today and in the future.

The CALSTARS planning process is designed to facilitate continuous dialogue and input for the identification of direction to meet CALSTARS product and service requirements. The following general principle is incorporated within the planning process:

★ Planning and priority setting is a joint responsibility for CALSTARS and its client agencies. Planning does not come from program management alone. Effective project thinking and planning is widely dispersed throughout the CALSTARS organization, including its client base.

The following is a listing of:

- ★ Projects completed during the previous year. These are included to reflect an accountability of those projects proposed and committed to in prior annual plans.
- ★ Projects currently in progress.
- ★ Projects planned for the future.



- A Sustain the original goals and objectives established for CALSTARS

- Automated Monthly SCO Reconciliation Agencies are required to reconcile their accounting records to the SCO's accounts. CALSTARS has a series of reports that assist agencies in the matching of individual entries in their records to SCO reports. Significant staff time is spent in verifying matching entries and manually combining financial data from various reports onto a Reconciliation Worksheet (CALSTARS Form 33). Automation of this process would facilitate more timely monthly reconciliations and agency preparation and submittal of year-end financial statements. Phase I, electronic transfer and distribution of the SCO Agency and Fund Reconciliation Reports through the CALSTARS network was completed in September 1997. The initial portion of Phase II, modification of the CALSTARS Appropriation Symbol Table to facilitate the matching of accounts between CALSTARS and SCO, was completed in June 1998. Most of Phase III, development of a SCO/ CALSTARS Monthly Reconciliation Report (DB2) and a SCO/CALSTARS Monthly Detail Reconciliation Report (H02) was completed in July and December 1999, respectively. The remainder of Phase III includes development of an input screen presentation of the DB2 Report for Online Reconciliation completion.
- **A.2.** Automated Year-end Statements to SCO Agencies are currently required to submit a series of year-end financial statements that represent the same fiscal data in various displays. This is a complex, time-consuming, high stress task that leads to a high error rate and late reporting. Agency personnel have expressed interest in our plan to automate this process. Also, the SCO has expressed interest in electronically receiving the year-end financial statements. This project will greatly benefit the CALSTARS client agencies and the SCO.
- A.3. Budget Development System Currently, agencies use various automated and/or manual systems for the development of their annual budgets. Accounting and budget staff manually calculate and post past year financial data from various CALSTARS reports to the budget documents required by Finance. As budgets are approved or changed, appropriation adjustments and budget plans may be posted to agency budget systems and to CALSTARS. An automated budget development and reporting subsystem that captures appropriation, budget plan,

Implementation Plan

expenditure and revenue data for each CALSTARS agency will save staff time, ensure the integrity of the data displayed in the Governor's Budget, produce various budget reports required by Finance in the proper format, and allow for standardization of the budget development process.

- A.4. Accounts Receivable (A/R) Billing Systems CALSTARS capabilities allow agencies to establish A/R documents, post accounting transactions and review their activity on document file reports. Agencies now create A/R invoices and late notices using manual methods, PCs, mainframe systems and in-house systems. Agencies then manually enter the accounting transactions into CALSTARS. An automated accounts receivable subsystem that creates tailored invoices and late notices, generates accounting transactions, assesses late payment penalties, provides on-line inquiry information and includes cash receipts and cashiering functions will eliminate the cumbersome manual processing and the duplicate effort agencies incur while developing their own internal receivable processes. As a fully integrated part of CALSTARS, the A/R subsystem will ensure a uniform, streamlined and standardized process and provide expanded and refined capabilities to our clients.
- A.5. Proprietary/Fiduciary Accounting CALSTARS was primarily designed to account for Governmental Funds consistent with statewide accounting policy and procedure. However, the State's funding structure also includes Proprietary and Fiduciary fund categories in conformance with Generally Accepted Accounting Principles (GAAP). CALSTARS does not fully support the accounting requirements for agencies with Proprietary and/or Fiduciary funds to submit Comprehensive Annual Financial Reports (CAFR) in conformance with GAAP and statements of the Governmental Accounting Standards Board (GASB). CALSTARS needs to develop procedures, processes, and reports to display Proprietary and Fiduciary fund accounting activity to meet these governmental reporting requirements.
- A.6. Modification for Withholding This project would add new transactions, reports, and file postings to simplify the withholding, reporting, and remittance of withheld taxes. Few payments currently require withholding. However, this is likely to change in the near future. Reporting of amounts withheld will automatically be included within the 1099 reporting process thus eliminating separate manual processes and forms currently needed to satisfy FTB and IRS requirements.

- B Operate and maintain a value-added, cost effective accounting system.

- B.1. Automated Bank Reconciliation Process Automation of the agency bank reconciliation process completes the cash cycle that starts at the agency by writing checks or depositing cash. Checks are redeemed by member banks and forwarded to the State Treasurer for processing. The State Treasurer electronically transmits daily files of cleared checks to the State Controller. The SCO merges the daily files with deposit and adjustment data received from the agencies and produces the monthly Bank Statement. CALSTARS will receive the electronic data, perform an automated matching of checks and deposits, produce the Bank Reconciliation Statement, and compare the cash balances per the bank statement with the cash general ledger balances in CALSTARS. This process will save agencies valuable staff time and improve the accuracy of the agencies' records.
- **B.2.** Electronic System Documentation Efficient administration and accurate operation of CALSTARS in all of the client agencies throughout the state requires extensive documentation and communication through a Procedures Manual, Operations Memos, Training Materials, Operational Tools, and other vehicles of communication. Information technologies are available to better produce and distribute this information in a more timely manner while reducing the overall cost of system administration.

An on-line NEWS screen was developed several years ago to provide up to the minute information on system status and any changes or modifications to the system. The Procedures Manual has previously been made available in PC floppy disk. In addition, CALSTARS web pages have been created to include an extensive array of electronic documentation and information on CALSTARS, including Procedures Manual, Operations Memos, Annual Plans, Annual Reports, etc. Other forms of electronic documentation and system information will be explored for implementation.

- **a. Documentation on Internet** Completed.
- **b. Documentation on CD-ROM -** Completed.



- c. Operational Tools/Training Aids on the Internet Completed.
- **B.3.** Reporting Training Module Completed. Ongoing.
- **B.4. Project Accounting Training Module** In response to several suggestions from CALSTARS agencies, a new training class on Project Accounting is being developed. This class will cover use of the project classification structure within CALSTARS, with an emphasis on federal grant accounting. The class content will include tables, files, transactions, reports, year-end processes, SCO accounts, and reconciliation processes.
- B.5. On-line Table Maintenance Relational Edits and Updates Relational edits are performed to verify that data element values used in one table have been properly defined in another table. Currently, CALSTARS performs on-line relational edits and updates on the Labor Tables only. All other relational edits for all other tables are performed during the nightly batch processing. This project will rewrite the table maintenance programs to perform the relational edits and table updates online. This will prevent table maintenance relational edit input errors, thereby eliminating the need to re-key error transactions the following day.
- **B.6. ORF Enhancements** Modify the Office Revolving Fund (ORF) subsystem to simplify posting of accounting transactions and capture Reportable Payment information when payment is made, rather than when ORF is reimbursed. This process would create the reimbursement transactions at the time of payment to eliminate additional steps necessary in the current process.
- **B.7. Labor Distribution Modifications** Agencies have requested that the Labor Distribution Subsystem be modified to improve functionality and efficiency and meet the reporting demands for payroll related information. Some suggestions of desired improvements are: Streamline the time sheet adjustment process to eliminate cumbersome and labor intensive processing; allow different costing methods such as time sheets and home base accounts on the Employee Master Table (EM) to cost out supplemental or undistributed labor; provide detailed employee information when group EMs are used; increase the keys to the EMs to include any part of the full position number as a key; process labor more frequently than once a month to provide agency information



for more accurate projections; eliminate the redundant processing of generating two additional Transaction Codes for each labor accounting event; and add additional data elements (position information) to facilitate completion of Schedule 7As.

- **B.8.** Claim Schedule Module Revision The Claim Schedule Module is very difficult to maintain or modify. A project effort to redesign and reprogram the Module will streamline processing and eliminate current system inconsistencies in Fund Detail and Project General Ledger accounting. Also, it will be easier and less costly to add future enhancements such as the income tax withholding.
- **B.9.** Procedures Manual Conversion/Update Completed.
- **B.10. Fiscal Managers' Seminar -** Completed. Now ongoing.
- **B.11. CALSTARS Transaction Posting Guide** The Posting Guide must be updated and made available to CALSTARS agencies through a variety of output media. The Guide must be revised to reflect the new 0n-line input screen layouts and new fields or transaction requirements. Agencies need to be able to access the Guide electronically, as well as by conventional methods, for new agency implementations and staff training purposes. The new on-line Help feature may be expanded to include Transaction Posting Guide references.
- B.12. CALSTARS Billing System Modifications The CALSTARS Billing System was custom built for CALSTARS by HHSDC staff in the early 1980s. Changes to that system are now necessary due to new CALSTARS functions that have been implemented over the past several years. For example, improved direct-billing capabilities are needed to direct charge individual agencies for their use of new functions, such as the History File search, which was only recently implemented and could generate costly searches if not done carefully. Also, more billing detail is needed to provide better cost control information to CALSTARS client agencies.
- **B.99. Other Projects in Process** CALSTARS maintains a CALSTARS Assignment Tracking System (CATS) for the identification, assignment, and monitoring of system change requests. These change requests originate through changes in statewide accounting requirements, suggestions from CALSTARS agencies, agency surveys, recommendations from CALSTARS analysts, etc. In addition to the more significant projects

Implementation Plan

contained in this plan, CATS contains a multitude of other miscellaneous change requests which are completed in priority order as resources become available.

- C Maintain a cost effective technology base and infrastructure of CALSTARS.

- **C.1. Electronic Imaging and Archival of CALSTARS Reports** Report output production, handling, and storage, in both paper and microfiche, continues to be one of the major cost items for CALSTARS agencies. Several alternatives will be explored to further reduce these costs.
 - a. Monarch ES Project (Step 1 Evaluation) Completed. Monarch Enterprise Solution (ES) is a report archival and retrieval software that fully integrates with Monarch as its report viewer. Monarch ES provides an indexing and report warehousing capability to significantly reduce the cost and time of access to large reports. This evaluation included the testing and evaluation of Datawatch Corporation's Web Enabler software that allows access to the Monarch ES archived reports through the Internet/Intranet.
 - b. Monarch ES Project (Step 2 Pilot) Based on positive results of our evaluation, CALSTARS acquired the software and NT Server for the HHSDC and Monarch ES has been in pilot operation since August 2000. CALSTARS client agencies involved in the pilot are: the Department of Corrections, Department of Developmental Services, Department of Education, Department of Health Services, Department of Parks and Recreation, Department of Social Services, Department of Toxics Substance Control, and the Franchise Tax Board. For the pilot, Monarch ES was installed on a Windows NT server located at the Health and Human Services Data Center. Results thus far look promising, but a few technical problems still must be resolved and much work still remains before a decision can be made to move on to full implementation.
 - c. Monarch ES Project (Step 3 Implementation/Support) The final step of this project is the deployment and support of Monarch ES facilities and applications throughout the CALSTARS agencies. The type and level of support to be provided on an ongoing basis will be determined as part of the Pilot Project above.

Implementation Plan

- **d.** The use of CD ROM, DVD, DASD will be tested for purposes of reports archival within the client agency's local environment.
- **C.2. On-line HELP function** The NATURAL programming language includes a number of on-line HELP capabilities. However, due to priority constraints, these help functions were not installed as part of the ADABAS/NATURAL Conversion project. This project, using the existing Transaction Input screen, will develop a prototype of the HELP features that can be installed. This project will utilize staff from client agencies to evaluate the effectiveness of these features.
- C.3. Graphical User Interface The CALSTARS On-line Screens Redesign Project will resolve many of the restrictions and problems with the existing screens and will also incorporate a number of new features provided by the Natural programming language. Also, due to a variety of differing input requirements, individual agencies request a capability to further customize the on-line screens to better match their specific input needs. We will research and evaluate various software products that will translate mainframe character based screens to graphical user interface (GUI) screens. This will provide a system on-line presentation that is easier to use and understand and better matches the windows like environment on their desktop and provide customization capabilities beyond those provided in the On-line Screens Redesign Project E.1.
- **C.4. Electronic Transfer of SCO Payroll Tape** The receipt of monthly payroll data from the SCO is handled through the physical transfer of the actual payroll tapes of the entire State's payroll. A program will be developed to provide for the electronic transfer of a file containing only the data needed for automated input for the CALSTARS client agencies.
- **C.5 Operational Recovery Plan Update** CALSTARS is involved in HHSDC's Operational Recovery Planning project to ensure a comprehensive operational recovery plan is in place in the event of a catastrophic failure. The primary focus of this project at this time is the establishment of a "hot site", essentially a backup data center, which would be used in the event HHSDC is not available.
- **C.6 Internet Security** With the ever-increasing popularity of the Internet, security has become a significant issue. CALSTARS is participating in

Implementation Plan

an HHSDC project that will address Internet security issues as well as review current data center and CALSTARS current security procedures and guidelines.

- D.

Respond to the business needs and demands for timely and accurate fiscal information and financial reporting.

- D.1. On-line History File Search Completed
- D.2. On-line Access to Data In July 2000, CALSTARS implemented a pilot project to test the viability of Esperant, a PC-based query and reporting tool that allows direct access to CALSTARS data files at HHSDC. CALSTARS client agencies involved in this pilot program are: the Department of Social Services, Department of Mental Health, Department of Housing and Community Development, Department of Parks and Recreation, and the Department of Education. Although progress has been somewhat slowed by the limited time agency staff have to learn and implement this software, early results from those who have committed the time has been very positive. Examples of some of the pilot agencies work will be presented/discussed at a future CALSTARS User Group meeting.
- **D.3. Internet Access -** The Internet, and its variations of Intranet and Extranet, offers opportunity to extend access to the input processes and output reports of CALSTARS at a lower cost of investment than the existing communication links. In January 2001, CALSTARS joined a project team initiated by HHSDC to identify and acquire software that will web-enable the CALSTARS system.
- D.4. Data Element Options for Standard Reporting Completed
- **D.5.** On-line Vendor Payment File Search In our continuing efforts to improve the on-line access to most financial files of CALSTARS, we recently completed an On-line History File Search/Find capability. We will proceed with a similar search capability for the Vendor Payment File. Similar capabilities are planned for most financial files of CALSTARS.
- **D.6. Record Retention -** State law and other regulations require all State agencies to securely retain the business records (reports and source



documents) of the State. These business records are retained for scheduled periods of time for audit, administrative, legal, and historical (archival) purposes.

Newer electronic technologies are available for the storage and retention of fiscal records. Those technologies would reduce operational costs, provide improved access to data, and minimize costs of paper production and storage. This three-phase project will:

- **a.** Reaffirm the State's retention schedule for fiscal records and make specific record retention recommendations to CALSTARS agencies,
- **b.** Confirm the acceptability of retaining fiscal records in electronic form in lieu of hardcopy, microfiche, tape, etc., and provide capabilities for the electronic archival of CALSTARS reports outside the fiscal office.
- **c.** Develop a global method of ordering and electronically storing all standard periodic reports (e.g., month-end and year-end reports, etc.) with a single report request, instead of ordering each individual report as a separate request. (See Project C.1)
- D.7. Information Confidentiality New report and report ordering options have been developed to help agencies maintain the confidentiality of information, particularly employees' social security numbers. Labor reports L01 and L02 were developed to provide agencies with reports that excluded social security numbers. New request options for the X01 Alphabetical List of Vendor Edit Table Report now allow agencies to obtain vendor number listings that do not include employees or their social security numbers. This project will identify needed policy and procedure regarding confidentiality of data processed and stored in CALSTARS. In addition, we will continue to explore what, if any, additional system modifications may be necessary to enable agencies to protect confidential information.

Implementation Plan

- E Exploit the uses of existing and emerging technologies to re-engineer the State accounting process.

E.1. CALSTARS On-line Screens Redesign - The newly installed NATURAL programming language offers several capabilities to eliminate existing on-line screen limitations and provide for more efficient data entry. This project will utilize staff from client agencies to evaluate the effectiveness of these capabilities. **Phase I was completed on May 6, 2000.**

Phase II of this project was originally intended to encompass a redesign of the CALSTARS Table view and update screens. However, progress of other CALSTARS projects accelerated the need to establish new design standards and functionality of the CALSTARS Standard Report Request screens. Hence, Phase II will now consist of these redesigned report request screens. Among other helpful changes, these new screens will include a function to define and order reports by group. These new screens are scheduled for implementation in early fall, 2001.

Following the implementation of the above changes, the CALSTARS On-line Redesign Project Team will resume work on the Tables view/ update screens. Listed below are the remaining phases of this project.

- **a.** Phase III CALSTARS Table Screens: Provide on-line access to the Statewide Tables; individual screens for each Descriptor Table; and, on-line updating of the CALSTARS tables.
- **b.** Phase IV CALSTARS File Inquiry Screens: Add additional search keys to improve File Inquiry capabilities.
- **c.** Phase V Other/Miscellaneous CALSTARS screens to incorporate established standards defined in previous phases of this project.
- **E.2. Electronic Transfer of DGS Vendor Invoices** Completed
- **E.3. Electronic Claim Schedules** This project has been completed. However, implementation of these changes has been deferred until legal considerations have been addressed by the SCO.

Implementation Plan

E.4. Electronic Commerce/Electronic Data Interchange - Currently agencies manually key operating expenses and other accounting transactions into CALSTARS based on invoices received from state (General Services, Cal Card, Prison Industry Authority, etc.) and private (MCI, Pac Bell, Voyager, Office Deport, etc.) vendors. This project is to develop and document a generic process(es) to electronically (EC/EDI) receive vendor supplied invoice information and append the necessary accounting coding information for transaction entry into CALSTARS. To obtain and process the invoice information electronically will significantly reduce the amount of manual workload of processing vendor invoices for transaction coding and payment.

This project will be completed in phases by vendor, as follows:

- a. Department of General Services Invoices
- **b.** Combined Telephone Bill (MCI/Pac Bell)
- c. Voyager Gasoline Credit Card Invoices
- **d.** Office Depot Invoices
- e. Other

General design has been completed. Detailed design and programming for the DGS Invoices has begun. Detailed design for the proposed Combined Telephone Bill and Voyager gasoline credit card invoices have been completed.

E.5. Automated TEC Payment Process - The SCO has begun a project (California Automated Travel Expense Reimbursement System-CalATERS) to automate the current processes to issue travel advances and reimburse travel and business related expenses. The system would: (a) allow employees to electronically request travel advances and reimbursements, (b) allow management to electronically approve requests, and (c) allow departmental accounting offices to electronically schedule the requests for payment. This process would significantly reduce the costs associated with operating under the current system, result in more timely reimbursement, allow for more consistent application of travel rules and policies and improve management information. Recognizing the strategic position of CALSTARS throughout the State's fiscal operation, CALSTARS has been invited to partici-

pate in this project by providing interface alternatives and requirements of the CALSTARS system to allow for electronic transfer of data to CALSTARS for accounting.

E.6. CAL-Buy/CALSTARS Electronic Data Interchange - The Department of General Services, Procurement Division, has begun a project (CAL-Buy) to provide State agencies with a web portal for on-line purchases of goods and services from the Statewide Commodity Contracts, Master Agreements, and California Multiple Award Schedules (CMAS). An electronic interface between CAL-Buy and CALSTARS could provide automated data entry of these transactions into CALSTARS. Both DGS and CALSTARS are intent on providing this automated interface.

Implementation Plan

Page 32 presents the proposed implementation schedule for the projects identified in this plan. In general, the projects are scheduled in priority order considering statewide requirements, needs of the client agencies, differing resource availability, etc. However, some projects are necessarily deferred because of certain predecessor/successor relationships. In a couple of projects, pilot/test projects are recommended to enable staff to become familiar with the technologies and evaluate their cost effectiveness before additional resources are committed for further implementation.



Proposed Implementation Schedule

#	PROJECT	FY 2000-01		FY 2001-02		FY 2002-03		FY 2003-04	
3.1	Automated Bank Reconciliation								
۱.1	Automated Mo. SCO Reconc. (Ph. III)			Defer un	til A2 Comp				
.3	Electronic Claim Schedules (Pilot)			Complete	e. Implement	ation defe	erred.		
3.9	Procedures Manual Conversion/Update	Compl	ete						
3.2	Electronic System Documentation	Compl	ete						
Ξ.2	Electronic Transfer of DGS Invoices		Com	olete					
3.10	Fiscal Managers Seminar	On-going			-				
0.7	Confidentiality of Information		Complet	е					
۹.4	Accounts Receivable Billing System		On Hold						
0.4	Data Element Options for Std Reports	Complete							
0.1	On-line History File Search	Complete							
C.1a	Monarch ES Evaluation	Complete							
C.1b	Monarch ES Pilot								
C.1c	Monarch ES Implementation/Support					Phase	d Impleme	ntations.	
Ξ.5	Automated TEC Process-CalATERS			Phas	ed implemen	tations.	•		
۹.2	Automated YE Statements to SCO								
D.3	Internet Access								
٩.3	Budget Development System								
E.4a	EC/EDI of General Services Invoices								
E.4b	EC/EDI of Telephone Bill Invoices								
E.4c	EC/EDI Voyager Credit Card Invoices								
≣.4d	EC/EDI of Office Depot Invoices								
C.4	Electronic Trf of SCO Payroll Tape								Т
D.6a	Record Retention (Phase I)								
D.6b	Record Retention (Phase II)								
D.6c	Record Retention (Phase III)				Phased In	nplement	ations.		
0.2	On-line Access to Data (EDA/Esperant)								T
3.3	Reporting Training Module	Complete	On-goin						
0.5	On-line Vendor Payment File Search								
3.5	On-line Relational Edits/Updates								
Ξ.1	On-line Screens Redesign (Phase II)								
E.1a	On-line Screens Redesign (Phase III)								
E.1b	On-line Screens Redesign (Phase IV)								
E.1c	On-line Screens Redesign (Phase V)								
3.11	CALSTARS Transaction Posting Guide								
C.5	Operational Recovery Plan Update								1
3.12	CALSTARS Billing System	1					1	1	1
C.6	Internet Security								T
3.6	ORF Enhancements								+
C.2	On-line HELP Function								+
E.6	CAL-Buy/CALSTARS Interface						1	1	T
3.7	Labor Distribution Modifications								
3.8	Claim Schedule Module Revision								1
3.4	Project Accounting Training Module							1	1
۸.6	Modifications for Withholding				1				\top
2.3	Graphical User Interface (GUI)		1		1				+
۸.5	Proprietary/Fiduciary Accounting				1				
3.99	Other Misc. Projects in Progress	On-going							
	e.g., Include the SCO "Prior Year Accrua								

Make the on-line History File available through the File Copy capability.

Include the Document File edits in the on-line edits of financial transactions, thereby greatly reducing the number of edits encountered during nightly system processing.



Implementation Plan

Conclusion

As a result of the processes that were included in the development of this Annual Planning Document, we believe it is a consensus reflection of the necessary strategic direction for CALSTARS during the next 3 to 5 year period. This does not mean, however, that the plan will remain unchanged during that period. This Annual Planning Document will be updated to reflect any changes to the strategies, projects, and implementation plans as necessary. As a result of an annual review, the plan will be updated for changes resulting from the addition of new issues, problems, challenges, and opportunities and any resulting strategies and projects and implementation plans to address those items. Continued agency visits and input processes will be a major contributing factor in any changes resulting from the annual review process. These actions will insure that the plan remains a dynamic planning document to continually address future needs.

In addition, it should be noted that an increased level of CALSTARS client participation is anticipated to successfully implement the projects shown. Client staff will be asked to participate during the needs and requirements definition and system design activities of the major system modification/enhancement projects.

Current System Functionality

Current System Functionality

ALSTARS was designed and developed to provide individual State agencies with a comprehensive automated departmental accounting and reporting system.

CALSTARS is a single software solution that provides both statewide uniformity and individual agency uniqueness through a series of tables. Some tables control usage of statewide codes in accordance with the Uniform Codes Manual. Other tables are established and maintained by each agency to further define their internal needs for levels of organization, program, object of expenditure, cost allocation, fund distribution, appropriation control, etc. These tables allow for the 'single transaction' input concept in CALSTARS. Each individual transaction is automatically appended with information from these tables. This eliminates redundant coding while providing for complete fund, appropriation, allotment, encumbrance, organization, program, project, revenue, expenditure, cost allocation, and general ledger accountability. This complete accountability is provided through master files that satisfy the requirements for audit trails and records retention in accordance with the State Administrative Manual. Other major features include:

- ★ The automated preparation of claim schedule face sheets and remittance advices. This allows the preparer to review and adjust claim schedules before final print at the agency's location and provides several reports which assist each agency in its detailed accounting activities. Sample reports include Report H11 Transaction Analysis Report for Equipment, which is used to reconcile equipment expenditures to the Property Ledger.
- ★ An automated cost allocation capability that allows indirect costs and administrative overhead to be allocated to programs, projects, and/or organizational units of an agency. Costs may be allocated through any of several audit approved methodologies depending on the internal needs of the agency and/or its Federal cognizant agency, as documented in its Cost Allocation Plan.

Current System Functionality

- ★ A comprehensive labor distribution capability that permits the distribution of personal services and staff benefits cost through master tables or timesheets by individual and/or employee group. Costs may be charged based on the actual earnings as recorded in the SCO payroll system or based on standard rates. Detailed reports by individual employee are requestable in hardcopy, microfiche, or report file form. A file of the detailed labor transactions can also be requested.
- ★ A document tracking capability for accounting and reporting individual accounts receivable, accounts payable, and encumbrances (e.g., contracts, purchase orders, etc.).
- ★ A standard reporting module that contains over 100 different reports. Agencies request reports through the on-line report request table and specify various data sorts, levels of detail, and time periods. These combinations of report specification provide a vast selection of report options. In addition, several reports were specifically designed to span fiscal periods to match appropriation availability that spans fiscal years.

In addition, the standard reporting module provides for reports that can be requested:

- ★ On a variety of paper sizes to accommodate character, line, or laser printers in the agencies;
- ★ In microfiche for audit trail and archival purposes;
- ★ From one location and directed to print at another location within the department throughout the State;
- ★ For immediate production before the nightly processing update or for print the next day after nightly files update;
- ★ For immediate or overnight production in report file form in lieu of hard copy. These report files are then available for download to the agency's local processing environment for use in its internal processes.
- ★ In multiple types of output (paper, report file, microfiche, etc.) from a single report request.

Current System Functionality

- ★ An external report distribution system for electronic transfer and print of reports and information from sources external to CALSTARS, e.g., SCO and DGS.
- ★ Electronic interface of data transmitted from the SCO, e.g., Monthly payroll, CD102's, for automated posting in CALSTARS.
- ★ A File Copy process that allows agencies to receive copies of their files and/or tables at the HHSDC or the Teale Data Center. Agencies are then able to execute special report routines against those files or 'download' the files to their local environment for internal reporting processes.
- ★ An Office Revolving Fund for the payment and accounting of advances, expenses, and vendor discount invoices. This capability provides for a tracking and aging of all disbursements in the Vendor Payment File and Document File.
- ★ An on-line Check Writer Subsystem to write and print General Cash and Office Revolving Fund checks. An on-line check reconciliation capability is also available.
- ★ An on-line inquiry capability to access the Document File and the Vendor Payment File to track and monitor encumbrances, contracts, and payments to vendors, etc. Other on-line inquiry capabilities allow agencies to track and monitor appropriations, allotments, cash balances in funds, etc.
- ★ An on-line History File search/inquiry capability providing access to all transactions entered during the current and prior fiscal years. Transactions can be searched on an extensive set of search criteria. Once transactions have been retrieved, they are available for viewing online or in hardcopy or report file form.
- ★ An on-line edit capability which allows for inputting and editing all types of transactions prior to file update.
- ★ An automated process to reconcile CALSTARS appropriation accounts to SCO appropriation accounts. This process involves electronically comparing SCO monthly account balances and activity to that in CALSTARS and providing agencies with reports on balanced and

" I just wanted to tell someone at CALSTARS that I am extremely happy about the most recent changes to the system.... Thanks again for helping make our job easier."

Current System Functionality

unbalanced accounts including listings of matched and unmatched transaction activity.

- ★ Automated processes for year-end accounting and reporting activities to assist agencies with year-end closing and financial statement preparation. Included in these processes are automated reclassification of documents of reverting appropriations, standard year-end transactions and all automated financial statements for Non-Governmental Cost Funds and most financial statements for Governmental Cost Funds.
- ★ Automated processes for past-year Schedule 10 and Schedule 10R reporting as required for development of the Governor's Budget. The CALSTARS Schedule 10 Subsystem integrates data from agency CALSTARS transactions and the Department of Finance Budget Preparation System to produce reports in Schedule 10 and Schedule 10R format. The subsystem identifies special handling of transfers between different fund classes and loan repayments from external entities to meet specific budget reporting criteria. In the future, agencies may be able to submit CALSTARS reports in lieu of pre-printed Schedule 10s.
- ★ CALSTARS web pages containing system Procedures Manual, Operations Memos, Forms, Annual Plan, Annual Reports, Advisory Council, CALSTARS/Monarch Users Group, and other operational tools and training aids. In addition, there are hot links to other web pages containing state and federal fiscal related information.

AND ...

CALSTARS client agencies receive the benefit of a shared system concept without the need for direct resources that would otherwise be necessary for the following functions and services provided by Finance CALSTARS staff:

- ★ Daily transaction processing, production operation, and reports production and distribution;
- ★ Ongoing programming maintenance and development of the system programs and files;
- ★ Coordination with Finance, SCO, and other state and federal agencies for statewide accounting and reporting procedures, requirements, and system changes;

"Your staff have excellent customer service and have always processed the forms timely."

Current System Functionality

- ★ Coordination with HHSDC for system and data security management, system backups, disaster planning, and operational recovery planning;
- ★ CALSTARS equipment planning, site planning and preparation, procurement, installation, and training;
- **★** CALSTARS communication line planning, ordering;
- ★ Telephone HOTLINE assistance, problem solving, and Quality Implementation Checks (QIC);
- ★ Ongoing training sessions for all levels of clerical, technical, and professional staff;
- ★ Year-end training sessions and seminars, extended processing services and HOT-LINE hours at year-end for year-end close and preparation of financial statements;
- ★ Development, maintenance, and distribution of operational support tools, CALSTARS Procedures Manual, Operations Memos, Transactions Guide, input forms, etc.;
- ★ NEWS screen for system status, system change notices, and recruitment bulletins.

" I wanted to let you know how helpful I find the CALSTARS news items."

Current System Technology

Current System Technology

A. Overview

CALSTARS provides an automated accounting system for 101 State offices that perform the accounting function for approximately 200 agencies. These accounting offices access the central CALSTARS system through a telecommunications network which supports approximately 1,350 input devices and 240 printers located throughout the State. User access is primarily through 'dumb' terminals. However, there are approximately 600 PCs currently in use in the accounting operations of CALSTARS agencies. Approximately, 2,500 agency staff are currently authorized to use the on-line CALSTARS system.

B. Operating Environment

CALSTARS production operation and system development work is performed by Department of Finance CALSTARS staff and processed at the HHSDC on the 'Shared System' which has the following characteristics:

★ Two CPUs, which have the appearance of one system or CPU to its customers. Specific hardware models are:

IBM 9672 Model R96 IBM 9672 Model R86

★ Operating System:

OS/390

ESP (Execution Scheduling Process) Job Scheduler



Current System Technology

★ Access to System:

JES2 (Job Entry Subsystem) VTAM (Virtual Telecommunications Access Method)

TSO/SPF(TimeSharingOption/System Productivity Facility) CICS (Customer Information Control System)

C. Files and File Structures

CALSTARS currently uses 17 financial master files and 25 table files. Each of these files has auxiliary files, such as transaction or posting files, shadow files for on-line data entry and inquiry, and special copies for producing reports.

The system financial audit trail is maintained through a History file, which is retained for seven years. In addition, there are other files and tables used to support system processes.

The various versions of these files and tables are stored and accessed using one of three methods:

- ★ ADABAS (Adaptable Data Base) is used for all files of the on-line system and the primary files of the batch system.
- ★ VSAM (Virtual Storage Access Method) is used for standard reporting and some tables processing.
- ★ QSAM (Queued Sequential Access Method) is used for the Transaction History file, backup copies of files and for other purposes not requiring the random or direct access ability provided by VSAM.

D. Programming Languages

The programming languages used in the current system are:

★ Natural and COBOL, which are the primary programming languages used in the CALSTARS system. Natural is used for the online system and some batch processing and COBOL is used in the



Current System Technology

reporting system and some batch processing. In all, there are approximately 950 COBOL or Natural programs in the CALSTARS application system.

★ DYL 280, which is used for production processing and for special reporting and processing by CALSTARS staff.

E. Support Software

The following software is used to support the CALSTARS application system:

- ★ ROPES (Remote On-line Print Executive System) is a software package used to distribute CALSTARS reports to agency local printers for viewing and printing. The use of ROPES is controlled by COBOL application programs that issue ROPES commands (on-line and batch).
- ★ IAM (Innovation Access Method) was installed in May 1992. This product significantly reduces run times and costs for production jobs using VSAM files.
- ★ PREDICT is an ADABAS Data Dictionary.

F. Finance CALSTARS Local Area Network (Exhibit 4)

In addition to the CALSTARS specific technology above, Finance CALSTARS staff are connected to the HHSDC (through Teale Data Center). See Exhibit 4 for a display of the various Personal Computer communications, software, and hardware currently used by the CALSTARS support staff.

This information is presented so that CALSTARS client agencies have an understanding of the technological environment through which we operate and test and evaluate PC products that could/should interface with mainframe CALSTARS.

G. Future Technologies

Newer and better technologies appear almost daily. Continued discussions with client agencies confirm the need to acquire and make innovative uses of PCs and network/file servers. Many agencies

Current System Technology

provide their staff access to the Internet and plan to make much better use of the Internet within their accounting operations. Better product options are now available for microfiche output. And there are still many, many requests for system changes. To meet these needs and countless others, the challenge for CALSTARS is to provide cost effective solutions that will incorporate appropriate new technologies and leverage existing information assets.

Mainframe Hardware Processing - We will continue to run the core CALSTARS business processes and development activities on the mainframe computers at the HHSDC. HHSDC offers a number of advantages to CALSTARS: lower cost; quality technical support; virtually unlimited processing and storage facilities; backup and recovery; availability of a full range of development, operational, and diagnostic software; and, a centralized, well supported statewide communications network.

Mainframe Operating System - The mainframe Operating System at the HHSDC has been upgraded from MVS/ESA to the OS/390 operating system. The OS/390 Operating System is IBM's current generation mainframe operating system. It has new key features, including: open systems capabilities, support for standard networking protocols, specifically TCP/IP (Transmission Control Protocol/Internet Protocol), enhanced Internet-related capabilities, enhanced batch operating procedures, and others.

Database Architecture - CALSTARS completed its system conversion to the ADABAS Data Base Management System in March 1997. That project was begun in 1993 to upgrade the technology of the system and to prepare for Year 2000. Some flat files and Virtual Storage Access Method (VSAM) files remain. Further standardization of its database management systems and greater use of relational database management systems will increase manageability, flexibility, and accessibility to information of the system. It will also improve the processing efficiency and cost of CALSTARS operations.

Telecommunications - Improvements can be made in several areas to expand and improve the access to the CALSTARS environment consistent with the environment of the client agencies.

★ Transmission Control Protocol/Internet Protocol (TCP/IP) - CALSTARS now provides this support, which supports Internet accessibility and

Current System Technology

is the standard for local area network (LAN) and wide area network (WAN) environments. This will become increasingly important as we continue our efforts to deploy CALSTARS functionality through the Internet.

- ★ Dial-up Access CALSTARS recently announced the availability of dial-up access, which could be very useful for outlying office sites or temporary situations.
- ★ System Network Architecture (SNA) This is the traditional telecommunications protocol used over the CALSTARS network. SNA provides very reliable, cost effective, and secure access to CALSTARS.

Internet/Intranet – Improvements can be made to the CALSTARS applications and other existing or future applications through the addition of Internet access via TCP/IP on client agencies' desktops and elimination of the 3270 protocol.

Data Access, Storage, and Retrieval - A number of agencies have expressed an interest in software that will access, select, and extract data directly from CALSTARS data files. CALSTARS has attempted to meet these needs with the Monarch ES and Esperant pilot projects which are currently underway.

Electronic Commerce - CALSTARS has several projects completed and under way that will migrate manual, paper processes to electronic processes. The Electronic Data Interchange/EDI project will electronically process DGS invoices and other vendor invoices through CALSTARS. CALSTARS has also made the CALSTARS Procedure Manual available over the Internet and more recently on CD ROM. We endorse the International Standards Organization (ISO) standards for secure Internet electronic commerce and will insure that all electronic commerce meets very high standards for authentication, confidentiality, and integrity of transactions and data.

Application Development Methodology - CALSTARS will continue to use a Joint Application Development (JAD) methodology for application development and maintenance.



Current System Technology

CALSTARS Web Site - CALSTARS will continue its web site providing access to both static and dynamic systems documentation, reference to other system related documents, and links to other web sites important to the State budgeting and accounting processes. All documentation will be standardized in Hypertext Markup Language (html) or Portable Document Format (pdf).

CALSTARS Network Operating System - The office network operating system for CALSTARS staff will be upgraded from Windows NT to Windows 2000 during fiscal year 2001-02.

CALSTARS Desktop Operating System – The desktop operating system for CALSTARS will also be upgraded to Windows 2000 during 2001-02.

CALSTARS Office Automation Product Suite - The Department of Finance, CALSTARS, uses Microsoft Office 2000 suite of automated office tools along with Outlook 2000 for e-mail. Other desktop products used by CALSTARS staff include: Adobe Acrobat, PageMaker, FrontPage, Visio, etc.

Exhibit 1

CALSTARS Annual 2001-02 Plan

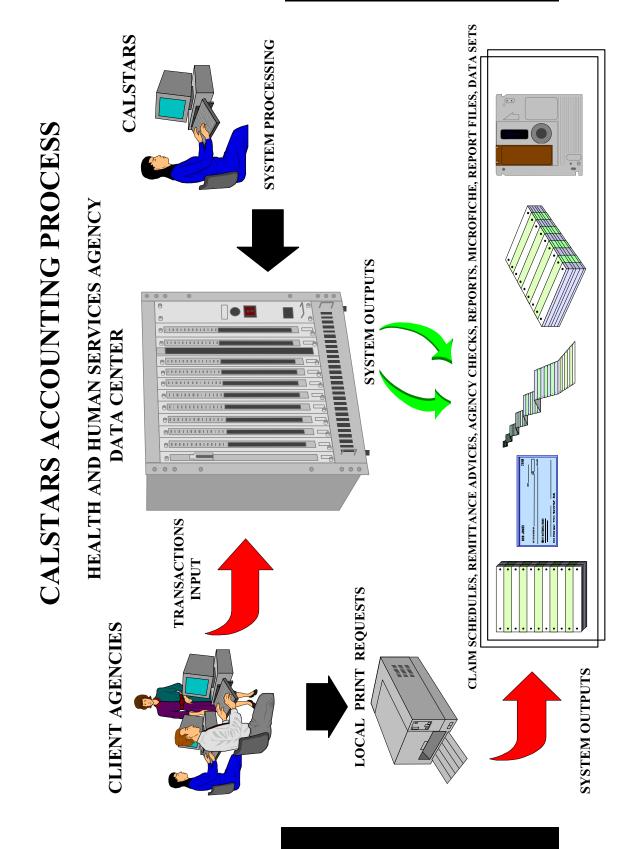


Exhibit 2

		DEPARTMENT OF FINANCE CALSTARS	F OF FINANCE	i e c	SUPPORT SERVICES Perform a variety of special office and administrative support duties for the CALSTARS System and staff.
CALSTARS SYS TRAINING/INFORMAT	CALSTARS SYSTEM SUPPORT TRAINING/INFORMATION COORDINATION	CALSTARS TECHNOLOGY SUPPORT	OLOGY SUPPORT	CALSTARS CLIENT SUPPORT	ENT SUPPORT
SYSTEM SUPPORT	TRAINING/INFORMATION COORDINATION	DEVELOPMENT CONTROL	PRODUCTION CONTROL	CALSTARS CLIENT SUPPORT	ENT SUPPORT
Identify requirements, general specifications for necessary/ desirable system changes, enhancements, new reports.	Develop and present the CALSTARS On-going, Implementation, and Year-End Closing training classes.	Develop/test program code for system modifications and/or enhancements.	Conduct and monitor successful completion of the daily CALSTARS processing cycle.	Provide on-site guidance and consultation to resolve operational, technoganizational, problems. Provide HOTLINE support to assist agencies with problem resolution.	Provide on-site guidance and consultation to resolve operational, technical, organizational, problems. Provide HOTLINE support to assist agencies with problem resolution,
Interact with other Control agencies on new/revised statewide accounting policy and or procedural issues, coding	Develop and present the CALSTARS/Monarch training classes. Provide support for on- going CALSTARS/Monarch	Develop/implement system program modifications for efficiency/cost effectiveness. Insure the security/integrity of	Provide daily breakdown and delivery of printed reports and microfiche. Prepare equipment site plans;	policy/procedure guidance. Interact with Control agencies on new and/or procedural issues.	policy/procedure guidance. Interact with Control agencies on new/revised statewide accounting policy and/or procedural issues.
structures, UCM. Monitor/maintain system processing status.	operations in agencies. • Administer the Monarch ES Database and Web Portal Server	CALSI ARS system and data. Maintain liaison with HHSDC and CALSTARS staff for problem	install/test equipment and communication lines; train agencies on use of equipment.	Provide consultation, support to agen CALSTARS. Provide support/assistance to agencie	Provide consultation, support to agencies during initial implementation of CALSTARS. Provide support/assistance to agencies for CALSTARS Reports/reporting
Provide technical assistance/ consultation to CALSTARS analysis, CALSTARS client	for CALSTARS reports archival/access/retrieval. Facilitate and coordinate the	resolution. • Test/evaluate/install new hardware and/or software alternatives.	Maintain HOTLINE for resolution of equipment and communication line problems. Deansolutharit HIGDC Carries	processes. Provide liaison between System Support required system changes, enhancements.	processes. Provide liaison between System Support Unit and agencies for necessary or required system changes, enhancements.
ugarcy sum:	Monarch Users Group and Monarch ES Project Team.	Provide support for a development NT Server.	Requests for equipment and communication line acquisition, replacement or consolidation.	Maintain liaison with HHSDC for the and Service Requests.	Maintain liaison with HHSDC for the CALSTARS Billing/Invoicing System and Service Requests.
	Maintain the CALSTARS Procedures Manual.	Provide technical assistance to CALSTARS client agencies.	Maintain RACF Security System.	Provide liaison with client agencies/s definition.	Provide liaison with client agencies/staff for system needs and requirements definition.
	Issue CALSTARS Operations Memos (COM).	Provide support for the CALSTARS Billing system.	Write/maintain JCL/ procedures and system flow diagrams.		
	Issue CALSTARS NEWScreen messages/items.		Support/Review production reports on System Archive and Retrieval (SAR)		

Exhibit 3

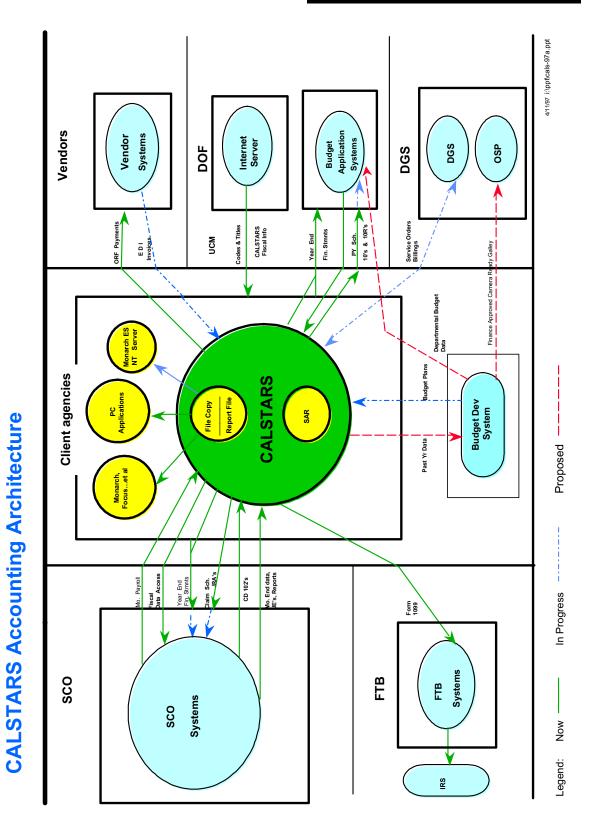


Exhibit 4

